

TENNESSEE STATE SCHOOL BOND AUTHORITY

June 15, 2021

The Tennessee State School Bond Authority ("TSSBA", or the "Authority") met on Tuesday, June 15, 2021, at 2:09 p.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were present:

The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Chris Mustain, proxy for the Honorable Tre Hargett, Secretary of State
Mark Paganelli, proxy for Randy Boyd, President, University of Tennessee
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum, Mr. Mumpower called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on May 24, 2021. Mr. Mumpower asked if there were any questions, or discussion on the minutes. Hearing none, Mr. Eley moved approval of the minutes, and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a Resolution to Approve the Borrowing of Money by Another Method by Middle Tennessee State University ("MTSU"). Mr. Mumpower recognized Mr. Bruce Petryshak, Vice President for Information Technology & Chief Information Officer at Middle Tennessee State University, to present the request. Mr. Petryshak explained that MTSU was interested in replacing its firewall infrastructure. He stated that MTSU was seeking approval to enter into a financing arrangement with Key Government Finance ("KGF") and CDW-G to purchase the new equipment under a five(5) year financing agreement. Mr. Petryshak explained that the purchase price of \$1,198,954.20 was slightly more than the cost of maintenance for the current firewall infrastructure of \$1,123,075. He stated that the \$75,879.20 difference in cost had already been set aside in reserves. He stated that the total amount of interest on the loan of \$58,802.59 would be paid by CDW-G which resulted in a zero interest cost for MTSU.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Tracy made a motion to approve the request, and Mr. Eley seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a Resolution to Approve the Borrowing of Money to Acquire Real Estate by the University of Tennessee ("UT"). Mr. Mumpower recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, to present the request.

Mr. Oakes stated that the first request from UT was for approval of a request to borrow money to acquire property. Mr. Oakes explained that UT was seeking TSSBA approval of a commercial loan from First Horizon Bank in the amount of \$7,175,620.98. Mr. Oakes stated that the loan would be used to repay an existing Martin Methodist College ("MMC") United States Department of Agriculture ("USDA") loan. Mr. Oakes explained that the loan would have a five-year term with renewable five-year increments.

Mr. Mumpower asked if there were any questions on the item. Mr. Eley asked if the loan was contemplated to be in five-year increments and if UT had a feel for how long the loan would remain outstanding. Mr. Oakes stated that the loan was contemplated to be in five-year increments and that UT had discussed the

loan internally. Mr. Oakes explained that while UT was not in a position to set a final repayment date for the loan at this time, the University was optimistic that as MMC came online as the University of Tennessee Southern ("UTS"), they would be able to repay the loan more quickly than the 30-year term of the current amortization schedule.

Mr. Mumpower asked if there were any other questions. Hearing no further discussion, Mr. Lillard moved approval of the request and Mr. Eley seconded the motion.

The motion was approved unanimously.

Mr. Mumpower recognized Mr. Oakes to present a Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee Health Science Center ("UTHSC"). Mr. Oakes explained that UT was seeking approval for a lease of apartments at Quarry Trail in Knoxville. Mr. Oakes stated that the lease was for up to six (6) four-bedroom units for one year, and one (1) three-bedroom unit for a two-month period. Mr. Oakes explained that the lease would provide housing opportunities for medical students in clinical rotations in the Knoxville region. Mr. Oakes stated that the annual cost was \$217,800.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Eley made a motion to approve the request, and Mr. Tracy seconded the motion.

The motion was approved unanimously.

Mr. Mumpower recognized Mr. Oakes to present a Resolution to Approve the Borrowing of Money by Another Method by the University of Knoxville ("UTK"). Mr. Oakes explained that UT was seeking approval for a lease of apartments at 303 Heights and Aspen Flats located in Knoxville. Mr. Oakes stated that the lease would provide up to 325 beds in anticipation of very positive enrollment numbers at UTK for fall of 2021. Mr. Oakes explained that the lease was for a one-year term beginning August 8, 2021. Mr. Oakes stated that the annual cost \$3,463,200.

Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Mustain made a motion to approve the request, and Mr. Tracy seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the agenda for the meeting and made a motion to adjourn. Mr. Lillard seconded the motion.

The motion was approved unanimously.

The meeting was adjourned.

Approved on this 22nd day of July, 2021.

Respectfully submitted,


Sandra Thompson
Assistant Secretary